

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION
Before the Commissioner of Financial and Insurance Regulation

In the matter of

XXXXX

Petitioner

v

File No. 90799-001

US Health and Life Insurance Company
Respondent

Issued and entered
this 18th day of August 2008
by Ken Ross
Commissioner

ORDER

I

PROCEDURAL BACKGROUND

On July 7, 2008, XXXXX (Petitioner) filed a request for external review with the Commissioner of the Office of Financial and Insurance Regulation under the Patient's Right to Independent Review Act, MCL 550.1901 *et seq.* The Commissioner reviewed the information and accepted the request on July 14, 2008.

The Commissioner notified US Health and Life Insurance Company (USHL) of the external review and requested the information used in making its adverse determination. The company provided initial information on July 23, 2008.

This review can be decided by an analysis of the Coalition of Public Safety Employees Health Trust Group Insurance Certificate (the certificate), the contract that defines the Petitioner's health care benefits. The Commissioner reviews contractual issues pursuant to MCL 550.1911(7). This matter does not require a medical opinion from an independent review organization.

II FACTUAL BACKGROUND

The Petitioner had surgery for an abdominal aortic aneurysm at XXXXX Hospital on April 23, 2007. From May 1 until his release from the hospital on May 7, he was treated with a wound vac due to an infection. A wound vac was provided to the Petitioner for one month after the Petitioner returned home. The device was provided by XXXXX, a durable medical equipment provider. USHL applied a \$250.00 deductible and \$995.16 copayment to the approved amount for the wound vac.

The Petitioner appealed USHL's application of the deductible and copayment. USHL reviewed the claim but upheld its payment amount. A final adverse determination was issued dated June 25, 2008.

III ISSUE

Is USHL required to pay any additional amount for the Petitioner's wound vac?

IV ANALYSIS

Petitioner's Position

The Petitioner's doctor indicated that a wound vac was needed due to an infection in the Petitioner's wound. A hospital case manager arranged for a wound vac to be delivered to the Petitioner's home and indicated that his insurance would pay for this equipment for one month. The Petitioner was not aware that XXXXX was an out-of-network provider. Therefore, the Petitioner does not believe that he should be required to pay the out-of-network deductible and copayment.

USHL Position

USHL says that the certificate indicates that for services provided by an out-of-network provider there is a \$425.00 deductible and payment is made at 70% of eligible expenses. USHL reviewed the information provided and determined that XXXXX who provided the Petitioner's wound vac, was an out-of-network provider. The provider initially billed \$4,459.00 for the wound vac. That

amount was later reduced to \$3,567.20. USHL applied a deductible of \$250.00 (Petitioner had already been assessed \$175.00 of his \$425.00 deductible for previous services). USHL then paid 70% of the remaining charges or \$2,322.04. USHL believes that it paid for this service in compliance with the certificate provisions. USHL agrees that it pre-authorized one month use of the wound vac but says that its May 17, 2007 approval letter indicates that its payment is subject to limits such as copayments and deductibles.

Commissioner's Review

The certificate provides that, if services are provided by an out-of-network provider, an out-of-network deductible and copay are applied to the charges. USHL established that XXXXX was an out-of-network provider. Therefore, it applied the appropriate deductible and copayment to the amount charged for this service and paid the balance. The Commissioner finds that USHL paid the proper amount for the Petitioner's wound vac and is not required to pay any additional amount.

V ORDER

The Commissioner upholds USHL's adverse determination of June 25, 2008. USHL is not required to pay any additional amount for the Petitioner's wound vac.

This is a final decision of an administrative agency. Under MCL 550.1915, any person aggrieved by this Order may seek judicial review no later than sixty days from the date of this Order in the circuit court for the county where the covered person resides or in the circuit court of Ingham County. A copy of the petition for judicial review should be sent to the Commissioner of the Office of Financial and Insurance Regulation, Health Plans Division, Post Office Box 30220, Lansing, MI 48909-7720.